

§ 1421.7

(b) With respect to wool, mohair, dry peas, lentils and small chickpeas produced in the 2002 crop year, producers who lost beneficial interest before October 11, 2002 are eligible for a loan deficiency payment based on the date the producer lost beneficial interest in the applicable commodity.

(c) For peanuts produced in the 2002 crop year, producers who lost beneficial interest in the 2002 crop of peanuts are eligible for a loan deficiency payment based on the date the producer lost beneficial interest in the applicable commodity.

§ 1421.7 Requesting marketing assistance loans and loan deficiency payments.

(a) A producer must, unless authorized by CCC, request marketing assistance loans and loan deficiency payments at the county office that, under part 718 of this title, is responsible for administering programs for the farm on which the commodity was produced.

(b) A marketing assistance loan or loan deficiency payment may be requested in person, by mail or electronic format designated by CCC. Forms prescribed by CCC may be obtained from the USDA, Farm Service Agency Web site.

(c) To receive marketing assistance loans or loan deficiency payments for a crop of a commodity, a producer must execute a note and security agreement or loan deficiency payment application on or before the applicable final loan availability date, as follows:

(1) March 31 of the year following the year in which the following crops are normally harvested: barley, canola, flaxseed, oats, rapeseed, and wheat.

(2) May 31 of the year following the year in which the following crops are normally harvested: corn, grain sorghum, mustard seed, rice, safflower, soybeans, sunflower seed, dry peas, lentils, and small chickpeas.

(3) January 31 of the year following the year in which peanuts are normally harvested or wool and mohair are normally sheared.

(d) With respect only to loan deficiency payments for eligible loan commodities produced in the 2001 crop year, whether or not produced on a farm covered by a production flexi-

7 CFR Ch. XIV (1-1-06 Edition)

bility contract, the applicable final loan availability for such payment is November 12, 2002.

§ 1421.8 Eligible quantity.

(a) With respect to marketing assistance loans and loan deficiency payments for:

(1) Farm-stored commodities, all determinations of weight, and quality, except as otherwise agreed to or required by CCC, shall be determined at the time of delivery of the commodity to CCC or at the time the loan deficiency payment application is filed for measured requests, if applicable or selected for spot-check for certified requests.

(2) Warehouse-stored commodities, all determinations of grade, weight and quality, except as otherwise agreed to or required by CCC, shall be determined at the time the loan or LDP is requested when acceptable documentation, under § 1421.106, accompanies the loan or LDP request.

(b)(1) A producer may, before the final date for obtaining a marketing assistance loan for a commodity, repledge as collateral for securing a marketing assistance loan any commodity that had been previously pledged as collateral for a marketing assistance loan, except with respect to:

(i) Commodities that have been acquired with commodity certificate exchanges under part 1401 of this chapter;

(ii) Commodities that have been redeemed at the prevailing world market price for rice, or the alternative repayment rate for all other commodities, as determined by CCC.

(iii) Commodities on which a loan deficiency payment has been received.

(2) The commodity repledged as security for the subsequent loan shall have the same maturity date, under § 1421.101 as the original loan.

(c)(1) The marketing assistance loan documents shall not be presented for disbursement unless the commodity subject to the note and security agreement is an eligible harvested commodity, is in existence, and is in approved farm or warehouse storage, as determined by CCC. If the commodity was not either an eligible commodity, in existence, or in approved storage at the time of disbursement, the total

amount disbursed under the marketing assistance loan and charges plus interest shall be refunded promptly by the producer.

(2) Marketing assistance loans may be disbursed to eligible producers who store eligible commodities in unlicensed storage facilities only if the producer agrees to redeem the marketing assistance loan on the date in which the loan is disbursed with a commodity certificate exchange.

(3) CCC shall limit the total marketing assistance loan quantity for a loan disbursement, or loan deficiency payment quantity for a loan deficiency payment, based on a subsequent increase in the quantity of an eligible commodity by the final loan availability date to 100 percent of the outstanding quantity of such marketing assistance loan or loan deficiency payment application. A producer may obtain a separate marketing assistance loan or loan deficiency payment before the final loan availability date for the commodity for quantities in excess of 100 percent of such quantity if such quantities are an otherwise eligible commodity.

§ 1421.9 Basic loan rates.

(a) Basic marketing assistance loan rates for a commodity may be established on a State, regional, county basis or other basis and may be adjusted by CCC to reflect quality and location and other factors applicable to the commodity and as otherwise provided in this section.

(b) The basic marketing assistance loan rates for wheat, corn, barley, oats, grain sorghum, rice, peanuts, soybean, canola, flaxseed, mustard seed, rapeseed, safflower, sunflower seed, dry peas, lentils, small chickpeas, wool, mohair and other crops designated by CCC will be determined by CCC and made available at State and county offices.

(c)(1) For all commodities except rice, warehouse-stored loans shall be disbursed at levels based on the basic county marketing assistance loan rate for the county where the commodity is stored, adjusted for the schedule of premiums and discounts established for the commodity on the basis of quality factors set forth on warehouse receipts

or supplemental certificates and for other quality factors, as determined and announced by CCC.

(2) For rice, warehouse-stored loans shall be disbursed at levels based on the milling yields times the whole and broken kernel marketing assistance loan rates, adjusted for the schedule of discounts on the basis of quality factors set forth on warehouse receipts or supplemental certificates and for other quality factors, as determined and announced by CCC.

§ 1421.10 Market rates.

(a)(1) For the 2002 through 2007 crops of barley, corn, grain sorghum, oats, wheat, dry peas, lentils, small chickpeas, oilseeds, and other crops as designated by CCC, a producer may repay a nonrecourse marketing assistance loan at a rate that is the lesser of:

(i) The marketing assistance loan rate and charges, plus interest determined for such crop; or

(ii) The alternative repayment rate for such crop.

(2) To the extent practicable, CCC shall determine and announce the alternative repayment rate, based upon the market prices at appropriate U.S. markets as determined by CCC, to minimize loan forfeitures, minimize the Federal Government-owned inventory of the commodities, minimize the storage costs incurred by the Federal Government domestically and internationally, and minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries. The alternative repayment rate may be adjusted to reflect quality and location for each crop of a commodity as follows:

(i) On a weekly basis in each county for oilseeds, except soybeans;

(ii) On a daily basis in each county for barley, corn, grain sorghum, oats, soybeans, and wheat; and

(iii) On a weekly basis nationally for dry peas, lentils and small chickpeas.

(b)(1) For the 2002 through 2007 crops of peanuts, wool and mohair, a producer may repay a nonrecourse loan at a rate that is the lesser of:

(i) The loan rate and charges interest, plus interest determined for such crop; or